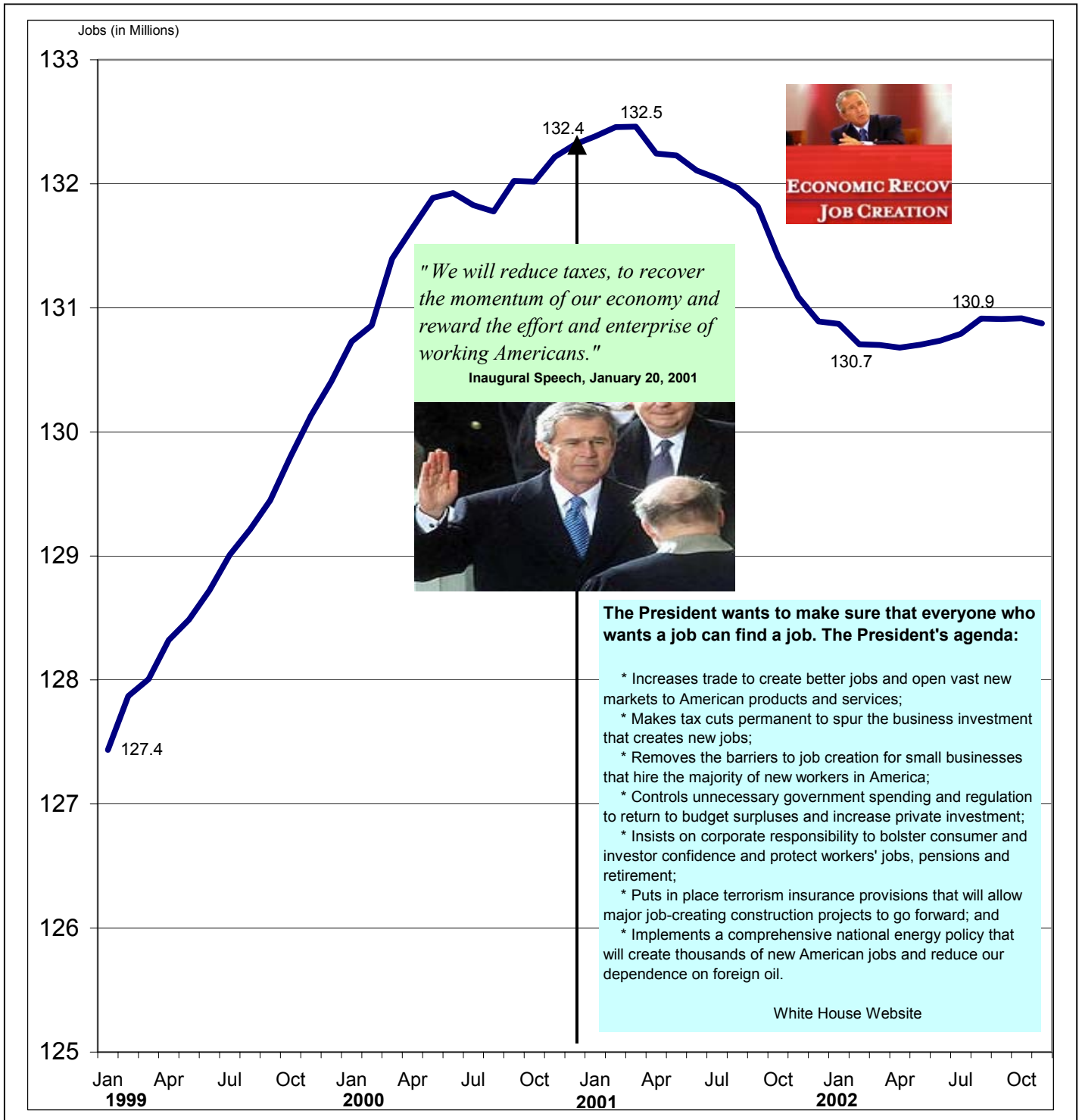


AMERICA HAS LOST 1.5 MILLION JOBS SINCE THE BUSH INAUGURATION



ARE WE HEADED TOWARD THE WORST JOB RECORD IN 58 YEARS?

The United States Bureau of Labor Statistics' *Current Employment Statistics Survey* indicates that the U.S. economy has lost 1,507,000 jobs since George W. Bush became President in January of 2001. BLS has maintained a comparable data series on monthly employment levels since January of 1945. That data indicates that the current administration is on a path to produce the worst job creation record of any administration in the last 58 years unless the U.S. economy turns the corner relatively soon, a possibility about which economists and business leaders are becoming increasingly dubious.

Job Loss Over Full 4 Year Term Would be Unprecedented

Since January 2001, the economy has lost on average 68,500 jobs a month. None of the previous 14 administrations concluded a four-year term without producing some growth in total employment. The weakest previous performance was during the second Eisenhower Administration. Between January 1957 and January 1961, total employment increased by 726,000—a rate of only 15,000 jobs a month. To match even that performance, the U.S. economy will have to add 86,000 jobs a month starting this month and continuing for the remainder of this administration. If job growth does not begin until February, the rate of increase required to avoid last place will be 93,000 jobs a month.

If this administration wishes to match the performance of its predecessors for job creation on a percentage basis, the challenge is even more daunting. Of the fifteen administrations covered by the

BLS data, the strongest percentage growth during a four-year term was 16.8% during the Johnson Administration. The weakest was 1.4% during Eisenhower. The average growth in employment for the 14 administrations prior to the current one was 8.7%. The average during the two Clinton Administrations was 10%.

If Bush wishes to avoid being dead last he will have to create 130,000 jobs a month, every month for the remainder of his term. If he wishes match the average he will have to create nearly 500,000 jobs every month for the remainder of his term. If he wishes to match the average rate of job growth for the two Clinton administrations he will need to create more than 560,000 jobs a month or more than 14 million jobs over the next two years.

It should be noted that the total number of jobs lost in this administration is not the worst if only the first 22 months of each administration is taken into consideration. It would rank 14th out of 15 administrations on that basis. The only period during the last 58 years in which more than 1.5 million jobs were lost in first 22-months of an administration was between January of 1981 and November of 1982 during the worst economic downturn since the Great Depression.

About the Data

This report is based on data from the Current Employment Statistics Survey (a monthly survey of 300,000 business establishments) collected by the Bureau of Labor Statistics of the U.S. Department of Labor. The analysis uses seasonally adjusted statistics for all non farm workers. Those statistics can be accessed online at

Job Losses Did Not Start Until Three Months after Bush Administration Took Office

The BLS jobs data also indicate that two of the contentions about the recent economic down turn that are often put forward by this Administration and its proponents have little basis in fact. The current problem of disappearing jobs did not begin prior to the President's inauguration.

During the months of October, November and December of 2000, the three months prior to the inauguration, a total of nearly 300,000 jobs were added to the economy. Despite confidence-sapping remarks by Vice President Elect Cheney in December 2000, employers hired 63,000 more workers in January, the month of the inauguration, 75,000 more in February and employment continued to grow March.

218,000 Jobs Lost Following House Passage of “*Economic Recovery and Tax Relief Act*”

Secondly, the current problem with employment is not entirely or perhaps even principally a result of the aftermath of September 11th. About 1/3 of the total decline in employment during this administration took place prior to September, 2001 and during the consideration and following the passage of the President's much vaunted “*Economic Recovery and Tax Relief Act*

of 2001.”

On March 8th the House passed the Act and a few days later the President talked about it with a group of businessmen at the White House:

“But one thing Congress must always remember is that to make sure that the employment figures improve, we must remember that small businesses create most of the new jobs in America. And therefore, we've got to put forth good policy that encourages the entrepreneurial spirit to flourish. I can't think of better policy than to reduce all the marginal rates of income tax... And by cutting that top rate from 39.6 percent to 33 percent, we encourage entrepreneurial growth in America, we encourage small business formation.”

The following month, the number of jobs fell by 218,000. In May, as the bill cleared the Senate, employment fell by another 14,000 and in June when the President signed it into law, the number of jobs in the nation fell by another 129,000. Employment fell again in July and in August.

White House Conceded Downturn Before 9/11

The fact that the country was headed deeper into an economic downturn and further job loss prior to the attack on

“...job creation is the number one priority of economic policy out of Washington, D.C.”

***George W. Bush, The President's Economic Forum
Waco, Texas, August 13, 2002***

9/11 was conceded by the White House on September 7, 2001 when Ari Fleischer told reporters:

“The President is very concerned about the rise in unemployment, as was announced today. As President Bush indicated on Labor Day, for any one person who was out of a job, their unemployment rate is 100 percent. And he is concerned about anything that would indicate that Americans are being laid off, and he has a plan in place to address this issue.”

How much of the 147,000 job loss that occurred in September was the result of September 11th and how much was the continuation of the trend that had started in April is a question that will never be answered.

Discouraged Workers, Declining Work Force Participation Mask Magnitude of Downturn

The fact that the dramatic deterioration in employment during this administration has not received more attention is in part because the overall rate of joblessness is still not nearly as high as it has been in previous recessions. This is in part due to the very low level of joblessness at the beginning of the recession and also because so many people have either left the labor force or decided not to attempt to find a job until the economy starts to get better. That has significantly masked the magnitude of the down turn.

Some monthly growth in employment is necessary to prevent rising unemployment since the population and

the number of people who need and are seeking jobs grows on a monthly basis.

The unemployment rate under the Bush administration increased from 4.2% to 6%, a 42% jump. But that rate would be much higher had the growth of the labor force not slowed so dramatically over the past two years. During the previous 8 years the work force grew at an annual rate of about 1.3% or by about 150,000 people a month. (The labor force grew at an even faster pace during the 1980s) Since the beginning of the Bush Administration the average monthly growth in the labor force has been only about 60,000 people or a rate of a little more than 0.5% a year.

This dramatic slowdown has come about for two principal reasons. First, some people who were members of the labor force and lost their jobs have now lost hope of finding work and given up in their job search. As a result they are no longer counted as being either unemployed or members of the labor force. Second, young people and others who might have begun looking for work became discouraged about the prospects of finding a job and are not now actively searching for employment.

Unemployment Rate Would be 7.5%, if Workforce Participation Had Remained Constant

If the labor force had grown at the same pace over the last 22 months that it did for the previous 8 years, there would be about two million more people in the job market and the unemployment rate would be around 7.5% instead of the 6% now officially listed by BLS.